Sixty-Ninth

ANNUAL REPORT

Year Ended December 31

1963

CENTRAL OF GEORGIA

RAILWAY COMPANY

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CENTRAL OF GEORGIA RAILWAY COMPANY

SIXTY-NINTH

ANNUAL REPORT

PRINCIPAL OFFICE.....227 West Broad Street, Savannah, Ga. 31401

WASHINGTON OFFICE.....920 Fifteenth Street, N.W., Washington, D. C. 20005

NEW YORK OFFICE.....70 Pine Street, New York, N. Y. 10005

STOCK TRANSFER AGENT.....Bankers Trust Company
16 Wall Street, New York, N. Y. 10015

REGISTRAR OF STOCK.....Morgan Guaranty Trust Company of New York
30 West Broadway, New York, N. Y. 10015

ANNUAL MEETING OF SHAREHOLDERS

Last Friday in April, at Savannah, Georgia

Board of Directors

CENTRAL OF GEORGIA RAILWAY COMPANY

JAMES M. BARRY	*Retired Chairman of the Executive Committee, The Southern Company, Birmingham, Ala.*
EARLE F. BIDEZ	*Executive Vice President, Central of Georgia Railway Company, Savannah, Ga.*
FRANK E. BONE	*Chairman of the Board, Oconee Clay Products Company, Milledgeville, Ga.*
*D. W. BROSNAN	*Chairman of the Board and Chief Executive Officer, Central of Georgia Railway Company; President, Southern Railway Company, Washington, D. C.*
ERLE COCKE, SR.	*Vice President-Staff, Central of Georgia Railway Company, Atlanta, Ga.*
*WILLIAM E. DILLARD	*President, Central of Georgia Railway Company, Savannah, Ga.*
ROBERT W. GROVES	*Chairman of the Board, Strachan Shipping Company, Savannah, Ga.*
CHARLES C. HERTWIG	*Retired Chairman of the Board, Bibb Manufacturing Company, Macon, Ga.*
JULIAN T. HIGHTOWER	*President, Thomaston Mills, Thomaston, Ga.*
THOMAS M. JOHNSON	*President, Johnson, Lane, Space, Smith & Company, Savannah, Ga.*
*JOHN J. McDONOUGH	*Chairman of the Board, Georgia Power Company, Atlanta, Ga.*
JOHN B. MILLER	*General Counsel, Central of Georgia Railway Company, Savannah, Ga.*
HARRELL L. PERKINS	*Vice President-Industrial Development, Southern Railway Company, and Central of Georgia Railway Company, Atlanta, Ga.*
WALTER C. SCOTT	*Vice President & Secretary, Savannah Sugar Refining Corp., Savannah, Ga.*
HUGH M. TARBUTTON	*Vice President & Treasurer, Sandersville Railroad Company, Sandersville, Ga.*
*E. M. TOLLESON	*Executive Vice President, Southern Railway Company, Washington, D. C.*
MARTIN L. TRESSEL	*Vice President, Alcoa International, Inc., Pittsburgh, Pa.*
*D. ABBOTT TURNER	*Chairman of the Board, Columbus Bank & Trust Company, Columbus, Ga.*
S. S. WILBANKS	*Attorney, Wilbanks and Wilbanks, Alexander City, Ala.*

* Member of Executive Committee

Officers

CENTRAL OF GEORGIA RAILWAY COMPANY

D. W. BROSNAN	*Chairman of the Board and Chief Executive Officer, Washington, D. C.*
WILLIAM E. DILLARD	*President, Savannah, Ga.*
EARLE F. BIDEZ	*Executive Vice President, Savannah, Ga.*
H. W. WATERS	*Vice President-Operations, Savannah, Ga.*
W. R. WILSON	*Vice President-Traffic, Savannah, Ga.*
ERLE COCKE, SR.	*Vice President-Staff, Atlanta, Ga.*
HARRELL L. PERKINS	*Vice President-Industrial Development, Atlanta, Ga.*
JOHN B. MILLER	*General Counsel, Savannah, Ga.*
W. R. DIVINE	*Comptroller, Washington, D. C.*
J. J. MAHER	*Secretary, New York, N. Y.*
ROBERT H. SMITH	*Treasurer, Washington, D. C.*

JUN 30 1964

To the Stockholders of

CENTRAL OF GEORGIA RAILWAY COMPANY

Net income of Central of Georgia Railway Company after all charges including contingent interest was $358,000 compared with $396,000 in 1962.

Revenues increased by $1,254,000, whereas railway operating expenses increased $2,228,000. This increase in expense was largely due to a step up in much needed maintenance expenditures together with expenses in connection with the coordination of facilities and functions with Southern Railway Company.

During the year the Interstate Commerce Commission approved the control of Central of Georgia by Southern Railway Company. On June 17, 1963, Southern acquired 71 per cent of the voting stock which was held by the St. Louis-San Francisco Railway Company. Through an offer to acquire all stock tendered by October 1, 1963, Southern now controls the Central of Georgia through ownership of over 96 per cent of the combined voting shares.

No dividend has been declared on the preferred and common stock with respect to the years 1960 through 1963 and consequently the previous maximum accumulation of unpaid dividends of $15.00 remains on the preferred stock.

Diversified industrial development along Central of Georgia and Southern Railway System lines continued at a strong pace in 1963 and the future is bright in this area of growth for the South. Our increasingly useful services in both price and quality should find us participating more extensively in the increased traffic potential represented by this industrial growth.

To expedite the flow of traffic, extensive improvements are being made in the yard serving Augusta, Georgia. In addition, Southern is planning to construct a new yard in Macon, Georgia at a cost of some $10,000,000, which will be used jointly by Southern Railway System companies and Central of Georgia.

This yard will do much to eliminate congestion and delays at Macon and provide the type service our customers are entitled to receive.

Railroads all too often are prevented from passing along to customers reductions in freight rates made possible by improved railroad technology. This is due to outmoded, discriminatory and unnecessary regulation that costs the public money and hamstrings profit-producing efforts by rail carriers.

The railroads have been attempting for several years to secure the passage of "minimum rate" bills which would facilitate our pricing of our product — transportation. The House Committee on Interstate and Foreign Commerce has favorably reported a bill which would deregulate rail transportation of agricultural and fishery products, an exemption formerly applying only to motor carriers. This bill would be a most valuable step forward in giving our customers the advantage of free competition.

The loyal support and understanding of our customers, stockholders, and employees is gratefully acknowledged by your Directors and your Management.

Sincerely,

D. W. Brosnan

Chairman of the Board

THE YEAR'S BUSINESS

The gross operating revenue was $44,836,000, an increase of $1,254,000, or 2.9 per cent, as compared with 1962.

Freight revenue increased $1,737,000, or 4.4 per cent. Revenue from passenger traffic decreased $136,000, or 9.5 per cent. Mail revenue decreased $61,000, or 6.4 per cent.

Railway operating expenses and taxes decreased $31,000, or 0.1 per cent.

NET INCOME

The net income for the year, after all charges including contingent interest, was $358,000 compared with $396,000 in 1962.

CONTROL BY SOUTHERN RAILWAY COMPANY

Reports of prior years referred to the contract by which the Southern Railway Company offered to acquire from St. Louis-San Francisco Railway Company its 71 per cent interest in the outstanding voting stock of the Central of Georgia Railway Company. The Interstate Commerce Commission approved Southern's acquisition of control through stock ownership. Southern had asked the Commission to clarify certain labor protective conditions, which the Commission did by its order dated June 10, 1963. Pursuant to this order of the Commission, Southern, on June 17, 1963, acquired the Frisco's 71 per cent interest in the Central of Georgia, and made an offer to other Central shareholders to acquire all stock tendered by October 1, 1963, at the same price paid to Frisco, which was $54.29 per share for common stock and $81.69 per share for the preferred stock of the Central of Georgia. As a result of this offer, 79,107 shares of common and 41,276 shares of preferred were tendered. As a final result of all its offers, Southern has acquired 96.22 per cent of the combined shares of Central of Georgia at a total cost of $30,859,842.

Southern and Central have combined substantial portions of their operations, the object being the improvement of service and realization of economies for both companies. The labor organizations have resorted to the courts seeking to change the Commission's order and these matters are still in litigation.

Steps toward realizing the anticipated savings from the consolidation of the accounting, corporate secretary, treasury, tax and other administrative functions were taken at once, as were consolidation of operations such as freight agencies, yards and shops.

CAPITAL IMPROVEMENTS

In order to meet the challenge of competition and provide better service to its customers, Central of Georgia spent approximately $6,650,000 on improvements and additions to its equipment fleet and $1,318,000 on fixed plant. Included in the new equipment acquired are five diesel locomotives and 321 freight cars. In addition, Central placed an order in 1963 for 370 rebuilt 50-foot boxcars, of which 43 were delivered during the year.

It was necessary to develop a rail-laying program to improve the rather poor conditions which have hampered the operations on Central. In 1963, some eight miles of new and 18½ miles of released rail, totaling 26½ miles of welded rail, were laid. For 1964, it is expected that 20 miles of new and about 100 miles of released rail, totaling 120 miles, will be laid, all of which will be welded. It is expected that the important Birmingham, Alabama — Columbus, Georgia line will be completely relaid with welded rail during the year 1964. The relaying of rail on other lines will continue.

In addition to the amount spent by Central of Georgia, Southern Railway System spent approximately $62,200,000 during 1963 on improvements to fixed plant and additions to its equipment fleet. This compares to about $64,300,000 during 1962. While the largest item, or $40,500,000, was the cost of new equipment, approximately $2,600,000 was spent for centralized traffic control; $3,100,000 for the microwave system; $8,500,000 for track, roadway and building improvements, including new container handling facilities; and $7,500,000 for other improvements to System properties.

Southern's welded rail program continued with a total of 101 track miles of "ribbon" rail being laid during the year, bringing the System's total welded rail to 1,251 track miles.

INDUSTRIAL DEVELOPMENT

Good progress was made during the year in industrial development, with a total of 42 projects either in operation or under construction at the year's end. These developments consist of 13 new industries, 21 distribution warehouses, and eight expansions of existing operations. Only those plants which have private Central of Georgia siding and which are expected to generate new and additional tonnage for the railroad are taken into account.

Among the new industries are a metal container plant of American Can Company at East Columbus, Georgia, and a door manufacturing plant of Mengel Wood Industries, Inc., at Wrightsville, Georgia.

New major distribution facilities include warehouses of Anaconda Wire & Cable Company at Forest Park, Georgia; International Harvester Company at East Point, Georgia; Merchants Refrigerating Company at Albany, Georgia; Morrison Merchandising Corporation, a food distributor, at Forest Park, Georgia; and D. H. Overmyer Warehouse Company for public storage, also at Forest Park.

Substantial expansions were undertaken by American Can Company at its Forest Park container plant; American Hospital Supply Corporation, producing intravenous solutions, at Milledgeville, Georgia; Columbus Fibre Mills, Inc., a manufacturer of carpets and rugs, at Columbus, Georgia; Georgia-Carolina Brick & Tile Company, at Augusta, Georgia; and Swift Spinning Mills, at Columbus, Georgia.

Already announced for construction during 1964 are a substantial expansion of Continental Can Company's pulp and paper mill at Nixon, near Augusta, Georgia, and alongside, a new newsprint mill, the first

operation of its kind in the state, by the Cox interests to supply their newspaper publishing plants in Atlanta, Miami, Florida, and Dayton and Springfield, Ohio. Also scheduled for ground-breaking during the year are a new peanut processing plant of Mars, Incorporated, at Albany, Georgia, and new operations of Olin-Mathieson Chemical Corporation to manufacture chlorine-caustic soda and Philadelphia Quartz Company to produce sodium silicate, both of which will be located at Nixon in proximity to the Continental Can and Cox plants.

In addition to the good progress made by Central of Georgia in location and expansion of industrial sites, Southern Railway System contributed significantly to the expanding economy of the South. Capital outlays totaling $426,767,000 were committed during the year for industrial expansion along the System tracks. This figure is about 8 per cent greater than the annual average investment over the past five years. Of the total investment allocated, 83 per cent was for expansion in the primary metals and metalworking, pulp and paper, chemical and textile industries; 13 per cent for electrical equipment and appliances, building materials, furniture, food and beverages, and containers; with the remaining 4 per cent for various industrial and consumer items.

There were established, or construction started on, 74 new plants, 50 distribution warehouses, and 139 additions to existing operations. These 263 developments are expected to produce additional revenues of over $10,000,000 for our System lines and to provide some 16,000 new job opportunities in the territory served by the Southern System.

INCREASED FREIGHT CAR USEFULNESS

The increased cost of newer and specialized freight cars has heightened the necessity of better utilization and more control of railway rolling stock. To provide such mechanism, Southern has begun the installation of one of the largest real-time* data systems and computer complexes in the railroad industry. Central of Georgia will have access to this equipment along with Southern Railway System companies. The data system will encompass vital information as to the location, predictive availability and optimum assignment of freight carrying and diesel power capacity of the railroad. The system will make extensive use of microwave, high-speed data transmission and the latest computing equipment, and will require over a year for installation. Efficient employment of the system will bring substantial benefit in the form of improved service for our shippers and efficient cost control in management.

MANAGEMENT CHANGES

Effective on June 27, 1963, D. W. Brosnan, President of Southern Railway Company, was elected Chairman of the Board of Central of Georgia, succeeding A. W. Ledbetter. Mr. Brosnan, a native of Georgia,

* By "real-time" is meant the collection of data at the source at time of occurrences and the transmission, analysis and re-transmission to appropriate levels of management in time for something to be done about those occurrences if needed.

and a graduate of Georgia Institute of Technology, began his career with Southern in 1926 at Macon, Georgia. From student apprentice and track laborer, he moved through various divisional and regional supervisory and official positions to become Executive Vice President of Southern in 1960 and President in 1962.

W. R. Wilson was elected Vice President-Traffic effective August 1, 1963. Mr. Wilson, a native of Mississippi, has been connected with Central of Georgia and Savannah & Atlanta Railway continuously since 1943 in various capacities in the traffic department.

Erle Cocke, Sr. was elected Vice President-Staff on August 5, 1963. Mr. Cocke has been a director of the Company since 1948.

As a part of the program to effect savings by consolidation of certain common functions, W. R. Divine, Comptroller; J. J. Maher, Secretary; and Robert H. Smith, Treasurer of Southern Railway System companies were elected to the same positions with the Central of Georgia.

DEREGULATION OF AGRICULTURAL RATES

In the past several years the railroads have been urging the adoption of President Kennedy's recommendations for freeing common carriers from regulatory control in reducing rates on bulk commodities and agricultural products. The barges enjoy exemption from such regulation when hauling bulk commodities, and the trucks when hauling agricultural products. Only the railroads are subject to stifling regulations which prevent them from reducing rates on both classes of commodities. During 1963 much testimony was introduced before the House and Senate Committees on the "minimum rate" bills, including testimony by the Chairman of Central of Georgia. No final action was taken in either House before the Congress adjourned in 1963.

President Lyndon B. Johnson called on Congress on January 20 to enact legislation to revise and strengthen our national transportation policy and place more reliance on the creative force of competition.

On February 6, 1964, the House Committee on Interstate and Foreign Commerce favorably reported H.R. 9903, the "Transportation Amendments of 1964." Section 2 of this bill provides for deregulation of rates for rail transportation of agricultural and fishery products, thus extending to the railroads an exemption from regulation which has heretofore been available only to motor carriers. This provision is the House Committee's substitute for the "reduced rates" bill. While this bill would not exempt as many types of commodities from rate regulation as President Kennedy's proposal, it would give to Central of Georgia and other railroads freedom to reduce their rates on grain and other agricultural commodities, subject only to the limitations and restrictions imposed by the anti-trust laws. Enactment of this bill would represent an important step toward making available to the railroad and the shipping public the advantages of free competition in the field of transportation.

CENTRAL OF GEORGIA RAILWAY COMPANY

COMPARATIVE STATEMENT OF INCOME AND RETAINED INCOME

	Year 1963	1962
Railway operating revenues:		
Freight	$41,413,797	$39,676,895
Passenger	1,295,885	1,431,547
Mail	890,384	951,732
Express	380,953	463,237
Other	855,219	1,059,115
Total	44,836,238	43,582,526
Railway operating expenses:		
Maintenance of way and structures	7,763,416	7,575,158
Maintenance of equipment	9,730,729	8,480,332
Traffic	2,085,360	2,092,978
Transportation	17,880,999	18,241,183
Other	3,521,591	2,364,395
Total	40,982,095	38,754,046
Federal income taxes — note 1	(2,070,000)	—
Taxes other than federal income	3,104,783	3,293,467
Equipment hire and joint facility rent—net	1,218,052	525,821
	43,234,930	42,573,334
Net railway operating income	1,601,308	1,009,192
Other income:		
Dividends from affiliates — note 2	186,000	499,880
Interest	205,075	405,455
Miscellaneous	524,389	649,805
	2,516,772	2,564,332
Miscellaneous deductions from income	186,132	192,890
	2,330,640	2,371,442
Interest and other fixed charges	1,405,626	1,405,090
Contingent interest	566,794	569,970
NET INCOME FOR YEAR	358,220	396,382
Retained income beginning of year	17,696,182	17,254,147
Add — Credit re 1962 consolidated income tax return—note 1	356,009	—
Prior years' adjustments — net	—	45,653
Retained income end of year	$18,410,411	$17,696,182

CENTRAL OF GEORGIA RAILWAY COMPANY

COMPARATIVE BALANCE SHEET

	December 31 1963	December 31 1962
ASSETS		
Current assets:		
Cash	$ 1,897,274	$ 2,571,192
Marketable securities (at cost)	4,007,849	4,729,815
Accounts and other receivables — note 1	6,347,176	3,260,971
Materials and supplies (at average cost)	1,340,303	2,671,496
Other current assets	457,869	556,787
	14,050,471	13,790,261
Capital and other funds	252,059	96,477
Investments in affiliates — note 2	13,875,822	14,142,180
Road, structures and equipment net of accumulated depreciation — note 3	97,982,605	93,691,046
Other assets	1,918,991	1,917,222
Total assets	$128,079,948	$123,637,186
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,575,696	$ 2,631,284
Accrued expenses and other liabilities	4,239,739	4,694,377
Current liabilities excluding current portion of long-term debt	7,815,435	7,325,661
Current portion of long-term debt—note 8	3,192,729	2,917,931
Long-term debt — note 8:		
Funded debt	23,189,734	23,325,668
Equipment obligations	19,100,000	17,755,034
Amounts payable to affiliated company	2,934,500	2,934,500
Other liabilities	2,664,377	909,448
	58,896,775	55,168,242
Shareholders' equity:		
5% preferred stock, $100 par value — 230,000 shares authorized, 170,394 outstanding	17,039,400	17,039,400
Common stock, no par value — 500,000 shares authorized, 337,242 outstanding	33,724,200	33,724,200
Capital surplus	9,162	9,162
Retained income	18,410,411	17,696,182
	69,183,173	68,468,944
Total liabilities and shareholders' equity	$128,079,948	$123,637,186

CENTRAL OF GEORGIA RAILWAY COMPANY

NOTES TO FINANCIAL STATEMENTS

1. The Company will file two federal income tax returns for the year 1963. For that part of the year subsequent to acquisition of control of the Company by Southern Railway Company, the Company will join in the consolidated return of Southern Railway. In connection with these consolidated income tax returns, the participants contribute to the consolidated group the tax they would otherwise pay on a separate return basis after elimination of inter-company dividends. Should a participant contribute a loss to the consolidated return, it is paid an amount for the use of its loss equal to the reduction in the consolidated tax liability resulting from utilization of said loss. For the year, it is anticipated that the Company will receive $2,070,000 under these arrangements. This amount has been taken into consideration in computing net income for the year. In addition, the Company will receive some $356,000 in connection with its 1962 consolidated return. This amount was credited to retained income during the year. These amounts are included in accounts and other receivables in the balance sheet.

   In accordance with Company policy and accounting procedures prescribed by the Interstate Commerce Commission, no accrual has been made for taxes that may be paid in later years resulting from use of different depreciation methods or rates for tax purposes than are used to compute net income. In computing the depreciation deduction for federal income tax purposes, the Company has elected to use the "guideline" lives established by the Internal Revenue Service in 1962, and where appropriate the declining balance method of depreciation. These and other similar items have the effect of increasing the amount to be received for use of the tax loss by approximately $425,000 for 1963. In addition, the Company had benefits of $79,000 in 1963 for the investment credit. As there was no income tax accrual for 1962, these items did not affect reported net income of that year. The cumulative amount of such benefits to the Company for all prior years and to December 31, 1963, exclusive of the investment credit, was $9,874,000. This figure includes the benefits to the Company derived from the 60-month amortization program under which during both World War II and the Korean conflict the Company was allowed and elected to write off certain of its capital assets over a 60-month period.

   At December 31, 1963, the Company had available unused net operating loss carry-overs of $3,217,000 which can be used to reduce future taxable earnings of the Company. There is also $329,000 of unused investment credit available at the year end which can be used to reduce future federal income taxes of the Company.

2. At December 31, 1963, the Company's equity in subsidiary companies exceeded its investment therein. Its equity in earnings of these subsidiary companies amounts to $1,055,000 and $1,156,000 for 1963 and 1962, respectively.

3. At December 31, road, structures and equipment is comprised of the following:

	1963	1962
Road	$ 67,237,060	$ 66,654,214
Equipment	78,322,242	72,257,568
Other property	1,798,598	1,830,218
	147,357,900	140,742,000
Accumulated depreciation	49,375,295	47,050,954
Net properties	$ 97,982,605	$ 93,691,046

4. Preferred stock dividends are cumulative for a period of three years. At December 31, 1963, three years have accumulated and such unpaid dividends amount to $2,555,910.

5. Depreciation expense for the year 1963 was $3,069,300 and for 1962, $3,006,800. In accordance with accounting procedures prescribed by the Interstate Commerce Commission, no depreciation is recorded on track structure. Current costs of renewals and maintenance of track structure are charged to expense. The expense for the year 1963 was substantially the same as for the preceeding year. Additions and betterments to track structure are capitalized.

CENTRAL OF GEORGIA RAILWAY COMPANY

6. The Order of the Interstate Commerce Commission allowing acquisition of controlling interest in the Company by Southern Railway Company provides for protection to employees dismissed or displaced as a direct result of this acquisition, unless through some action or inaction of his own the employee forfeits his rights thereto. This protection is in the form of payments equivalent to the affected individual's average wages for a period prior to this transaction. Any amounts earned by the affected employee enter into the computation of amounts payable by the Company. The Company has made final lump-sum settlements with some of the employees covered by the protection provisions of the Order. During 1963, the Company made payments of approximately $2,200,000 under these provisions; $1,500,000 in the form of final lump-sum settlements. Of this latter amount, $500,000 has been charged to expense in 1963 and the effect on expenses of the remainder has been deferred to 1964.

   It is not possible at this time to make a reasonable estimate of the future liability of the Company for dismissal or displacement payments.

7. The Company, together with other major railroads, has agreed to advance funds as might be required to meet principal and interest payments on equipment obligations of Trailer Train Company, but only in the event that charges for the use of the equipment, currently at an adequate rate, are insufficient to provide for such principal and interest payments. The totals of such principal amounts outstanding were $104,000,000 and $112,000,000 at the end of 1963 and 1962, respectively.

   At December 31, 1963, the Company was contingently liable, separately or jointly with others, on indebtedness of Atlanta Terminal Company and Macon Terminal Company in the approximate amount of $1,880,000. At December 31, 1962, this amount was approximately $1,950,000.

   The Company is a participant in a service interruption policy with The Imperial Insurance Company, Ltd., which requires payment of additional premiums as claims are filed, subject to a maximum premium of approximately $570,000. Premiums paid for 1963 were $750 and for 1962, $24,000.

8. Long-term debt of the Company at December 31, 1963 was as follows:

	Portion due within one year	Portion due after one year	
		Equipment obligations	Funded debt
Bonds:			
First Mortgage Series A, 4% due 1995	$ 59,267	$ —	$10,664,834
General Mortgage Series A, 4½%	55,400	—	—
General Mortgage Series B, 4½% due 2020	14,900	—	12,524,900
Total	129,567	—	23,189,734
Equipment Obligations, payable serially to maturity dates indicated:			
Trust W, 3¼% due 1967	155,000	465,000	—
Trust X, 3⅜% due 1967	185,000	555,000	—
Trust Y, 3⅝% due 1968	364,000	1,456,000	—
Trust Z, 2⅞% due 1969	177,000	885,000	—
Trust A, 3⅛% due 1970	62,000	372,000	—
Trust B, 3¼% due 1971	312,000	2,028,000	—
Trust C, 4⅝% due 1971	56,000	392,000	—
Trust D, 5% due 1972	170,000	1,275,000	—
Conditional Sale Agreements —			
April 1, 1951, 3½% due 1966	389,803	58,711	—
Aug. 1, 1957, 5½% due 1972	510,000	3,930,754	—
Mar. 1, 1960, 5¾% due 1975	173,680	1,823,640	—
May 1, 1961, 5% due 1976	66,667	766,667	—
Dec. 15, 1962, 5% due 1977	80,710	1,049,240	—
June 15, 1963, 4¼% and 4¾% due 1978	236,682	3,195,209	—
Note payable, 5½% due 1971	124,620	847,779	—
Total	3,063,162	19,100,000	—
Grand total	$3,192,729	$19,100,000	$23,189,734

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 10004

To the Stockholders,

Central of Georgia Railway Company:

We have examined the balance sheet of CENTRAL OF GEORGIA RAILWAY COMPANY as of December 31, 1963 and the related statement of income and retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Company maintains its accounts in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission and the accompanying financial statements have been prepared in accordance therewith. The provisions of the Uniform System of Accounts vary from generally accepted accounting principles in that no accounting recognition is given to the possible effect on income taxes in future years of current benefits, referred to in Note 1 to the financial statements, resulting from the deductions (net) for amortization and depreciation of property for income tax purposes in excess of the deductions recorded in the accounts.

In our opinion, subject to the ultimate liability for dismissal or displacement payments referred to in Note 6 to the financial statements and except for the matter referred to in the preceding paragraph, the accompanying balance sheet and the statement of income and retained income present fairly the financial position of the Company at December 31, 1963 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

March 5, 1964

Geographically Correct Map of the

SOUTHERN RAILWAY SYSTEM

1964

SOUTHERN RAILWAY COMPANY

CENTRAL OF GEORGIA RAILWAY CO. • THE CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY CO.
THE ALABAMA GREAT SOUTHERN RAILROAD CO. • NEW ORLEANS AND NORTHEASTERN RAILROAD CO.
GEORGIA SOUTHERN AND FLORIDA RAILWAY CO. • CAROLINA AND NORTHWESTERN RAILWAY CO. • GEORGIA & FLORIDA RAILWAY CO.
(And Affiliated Companies)

SOUTHERN RAILWAY SYSTEM LINES
exclusive of the separately-operated
CENTRAL OF GEORGIA and affiliates,
and
GEORGIA & FLORIDA

SOUTHERN RAILWAY "SERVES THE SOUTH"

LOOK AHEAD-LOOK SOUTH

Southern Railway Company owns and leases to other companies the trackage between Orange, Va. and Gordonsville, Va., 9.05 miles and between Grace Shoals, S. C. and Shoals Junction, S. C., 5.1 miles. Central of Georgia Railway Company owns and leases to other companies the trackage between Lyons, Ga. and Meldrim, Ga., 57.48 miles.

Scale of Statute Miles
0 25 50 75 100

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INDEX TO STATIONS ON THE SOUTHERN RAILWAY SYSTEM

The location of a station is near the intersection of lines drawn from the letter and figure in the map border corresponding with those in the index

A
Acmore Park, Ga. ..O15
Addie, N.C. ..K15
Adel, Ga. ..Q15
Aiken, S.C. ..M17
Airpark, Ga. ..Q16
Akron, Ala. ..O10
Alabama City, Ala. ..M12
Albany, Ga. ..P14
Albemarle, N.C. ..J18
Albers, Ill. ..P5
Alberta, Ala. ..O11
Alcoa Town, Tenn. ..J14
Alexander, N.C. ..J15
Alexander City, Ala. ..N12
Alexandria, Va. ..D20
Allendale, S.C. ..M17
Almond, N.C. ..K14
Alpha, Tenn. ..J14
Alpine, Ala. ..N12
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Altamaha, Ga. ..P16
Amelia, Va. ..F18
Amherst, Va. ..F16
Anderson, S.C. ..L16
Andrews, N.C. ..K14
Andrews, Ala. ..N12
Apalachee, Ga. ..M15
Apalachicola, Fla. ..Q12
Appliance Park, Ky. ..F12
Arab, Ala. ..O13
Aragon, Ga. ..M13
Arbacoochee, Ala. ..P13
Arkwright, Ga. ..N15
Arlington, Ala. ..O12
Arlington, Ga. ..P15
Arlington, Va. ..D20
Arrington, Va. ..F17
Ashburn, Ga. ..P15
Ashburn, N.C. ..H18
Asheville, N.C. ..J16
Ashland, Ala. ..N10
Athens, Ga. ..N15
Athens, Tenn. ..J13
Atkinson, Ala. ..P10
Atlanta, Ga. ..N13
Atlanta Int., Ga. ..N13
Attalla, Ala. ..N10
Augusta, Ga. ..M16
Auraria, Ga. ..N13
Avera, Ga. ..M16
Azalea, N.C. ..J15

B
Badin, N.C. ..J18
Bailey, Tenn. ..K14
Baldwin, Ga. ..L14
Balsam, N.C. ..K16
Bamberg, S.C. ..M18
Bankston, Ala. ..N10
Barber, N.C. ..J17
Barbourville, Ky. ..H13
Barnard, N.C. ..J15
Barnesville, Ga. ..N14
Barnett, Miss. ..O13
Barnhill, Ga. ..P15
Barnwell, S.C. ..M18
Barry, Ala. ..O10
Bartelso, Ill. ..P5
Barton, Ala. ..O10
Batesburg, S.C. ..M17
Bath, S.C. ..M17
Bawley, Ga. ..N16
Baynham, S.C. ..M17
Beaden, Tenn. ..J13
Beck, Ind. ..P10
Belcrest, Miss. ..O13
Belle Mina, Ala. ..N11
Belleville, Ill. ..P6
Belmont, Ill. ..P 9
Belton, S.C. ..L16
Bemer, Ga. ..N14
Berry, Ala. ..N10
Bessemer, Ala. ..N11
Bessemer City, N.C. ..K17
Big Stone Gap, Va. ..H15
Biltmore, N.C. ..K15
Birdseye, Ind. ..P10
Birmingham, Ala. ..N11
Black Mtn., N.C. ..J16
Blackstock, S.C. ..K17
Blackstock, S.C. ..M16
Blackville, S.C. ..M17
Bleo, S.C. ..L17
Blair, Tenn. ..J18
Blairs, Va. ..F16
Blakely, Ga. ..P15
Bleecker, Ala. ..O13
Blossom, Ala. ..O13
Bluff City, Tenn. ..H16
Bluford, Ill. ..P6
Blythewood, S.C. ..K17
Bogue Chitto, Ala. ..O12
Bohlgee, Ala. ..O10
Bon Air, Va. ..F18
Bonaire, Ga. ..O15
Boones, N.C. ..J14
Bookman, S.C. ..L16
Boonville, Ind. ..P10
Boonville, Ga. ..M15
Bowman, Ga. ..L16
Boyce, Tenn. ..K13
Brachfield, Ill. ..P6
Branchville, S.C. ..M18
Brandy Station, Va. ..E19
Brantley, Ala. ..P12
Brasstown, N.C. ..K15
Brevard, N.C. ..K15
Brewton, Ala. ..P12
Brice, Ga. ..M13
Bridgeport, Tenn. ..J13
Brierfield, Ala. ..N12
Brighton, Ala. ..N11
Brinkley, Ark. ..O7
Broad River, Va. ..D20
Broadway, N.C. ..K18
Bronston, Ala. ..N12
Brookside, Ala. ..N11
Brown, Ala. ..O11
Browns, Ill. ..P 9
Brownsboro, Ala. ..N11
Brown Summit, N.C. ..H18
Brunswick, Ga. ..N17
Bryan, Ala. ..N11
Bucksh, Ala. ..O12
Buchanan, Ga. ..N14
Buford, Ga. ..O15
Bullard, Ga. ..O15
Bullock, N.C. ..J16
Bulls Gap, Tenn. ..J15
Burgin, Ky. ..H12
Burkeville, Va. ..G19
Burlington, N.C. ..H18
Burrows, Va. ..E19
Burnside, Ky. ..H12
Burnsville, Ala. ..O11
Burnsville, Miss. ..O13
Burner, N.C. ..H19
Burton, Ala. ..N12

C
Calera, Ala. ..N11
Calhoun, Tenn. ..K13
Calvert, Ala. ..O10
Calverton, Va. ..D20
Camak, Ga. ..M15
Camden, S.C. ..L18
Camp Croft, S.C. ..K16
Camp Lejeune, N.C. ..K21
Campobello, S.C. ..K17
Canaan, Ind. ..O11
Canton, Ga. ..N14
Canton, N.C. ..J16
Carlisle, S.C. ..L17
Carnesville, Ga. ..M15
Carriere, Miss. ..P 9
Carrollton, Ga. ..N13
Carson, Ala. ..O10
Cary, N.C. ..J19
Caryville, Tenn. ..J13
Casanova, Va. ..D20
Catawba, N.C. ..J17
Catherine, Ala. ..P11
Cathey, Va. ..D20
Cave Spring, Ga. ..N13
Cayce, S.C. ..L18
Cedar Springs, Ga. ..Q14
Cedartown, Ga. ..N13
Cenlver, S.C. ..K17
Center, Ga. ..M15
Centralia, Ill. ..P 8
Chadwell, Ill. ..P 9
Chamblee, Ga. ..M14
Chandler, Ind. ..Q10
Chappell, S.C. ..L16
Charleston, S.C. ..M19
Charleston, Tenn. ..K13
Charleston Navy Yard, S.C. ..M19
Charlotte, N.C. ..K17
Charlottesville, Va. ..F17
Chase, Ala. ..L11
Chase City, Va. ..G19
Chatham, Va. ..G18
Chattahoochee, Ga. ..M14
Charlestonings, Tenn. ..J13
Chauncey, Ga. ..O15
Cherokee, Ala. ..O10
Cherokee Falls, S.C. ..K17
Cherry Point, N.C. ..K21
Chesnee, S.C. ..K16
Chester, S.C. ..L17
Chesterfield, Va. ..F18
Chickamauga, Ga. ..N13
Chickasaw, Ala. ..P10
Chipley, Ga. ..N13
Childersburg, Ala. ..N12
Choccolocco, Ala. ..N12
Choccolocco, Ala. ..N12
Chocker, Tenn. ..J15
Chula, Ga. ..P15
Chula, Va. ..F20
Cincinnati, Ohio ..R13
Cincinnati Int., Ky. ..R13
Clarkrange, Tenn. ..H13
Clarksville, Ind. ..P10
Clayton, N.C. ..J20
Clearwater, S.C. ..M19
Clemmons, N.C. ..H18
Cleveland, N.C. ..J17
Cleveland, Tenn. ..J14
Clinchco, Va. ..G14
Clifton, Va. ..D20
Clintonville, Fla. ..R17
Clinchco, Va. ..G14
Clinchmore, Tenn. ..J15
Clinchport, Va. ..H14
Clinchfield, Va. ..H14
Clio, S.C. ..L17
Clover, S.C. ..K17
Clyde, N.C. ..K15
Coalville, Va. ..F18
Cocoa, Fla. ..R19
Cocoa Beach, Fla. ..R19
Cocoa Pines, Ala. ..N12
Coeburn, Va. ..H14
Coffeeville, Miss. ..O12
Coffeeville Dam, Ala. ..O12
Colebrook, Ala. ..N11
Colebrookdale, Ala. ..N11
Colfax, N.C. ..H18
Collierville, Ala. ..N12
Colonial Heights, Va. ..F18
Columbia, Ala. ..N11
Columbia, Miss. ..O13
Columbia, Tenn. ..K13
Columbus, Miss. ..O13
Columbus, Ga. ..N14
Comer, Ga. ..M14
Concord, Ga. ..M14
Concord, Tenn. ..J14
Concord, N.C. ..J17
Connelly Springs, N.C. ..K15
Conover, N.C. ..J17
Converse, S.C. ..K16
Converse, S.C. ..L16
Cooleemee, N.C. ..J17
Coosa Pines, Ala. ..N12
Cordele, Ga. ..P15
Corinth, Miss. ..O13
Cornelia, Ga. ..L15
Cornelia, N.C. ..K15
Cork, Ga. ..N14
Cornelius, N.C. ..J17
Corryton, Tenn. ..J14
Cottondale, Ala. ..N11
Cowden, Ill. ..P 7
Cowpens, S.C. ..K16
Cox Creek, Ala. ..N11
Coxe, S.C. ..K17
Crabtree, N.C. ..K15
Craig, Ala. ..O11
Crandall, Ind. ..P11
Crawford, Ala. ..P11
Creola, Ala. ..P12
Crestwood, Ky. ..R12
Cuba, Ala. ..O11
Cullman, Ala. ..N11
Culpeper, Va. ..E19
Cumberland Gap, Tenn. ..H13
Curl, Ala. ..O10
Curtis, Ala. ..N12
Cuthbert, Ga. ..P14
Cypress, Ala. ..O10

D
Dabney, N.C. ..H19
Dadeville, Ala. ..N13
Daisy, Tenn. ..J13
Dale, Ala. ..O12
Dallas, Ga. ..M13
Dallas, Tex. ..O3
Dana, N.C. ..K15
Danbury, N.C. ..H18
Danville, Va. ..G18
Darbon, Ala. ..O12
Darlington, S.C. ..L18
Dauphin Island, Ala. ..P12
Davidson, N.C. ..J17
Dawkins, S.C. ..K17
Dayton, Tenn. ..J14
Dayton, Ohio ..Q13
Decatur, Ala. ..N11
Decatur Jct., Ala. ..O11
Delbarton, Va. ..H14
Delmar, Ala. ..M10
Delta, Miss. ..O13
Demopolis, Ala. ..O10
Denark, Tenn. ..J15
Derby, Miss. ..P 9
Dickerson, Ala. ..N12
Dillsboro, N.C. ..K15
Dix, Ill. ..P 8
Dorsey, Ala. ..N12
Dorsey Jct., Ala. ..N12
Doswell, Va. ..F18
Dothan, Ala. ..Q13
Douglas, Ga. ..Q15
Douglasville, Ga. ..N13
Dover, Ga. ..O14
Dragon, Miss. ..O 9
Drakes Branch, Va. ..G19
Draper, N.C. ..H18
Drewry, N.C. ..H19
Dry Fork, Va. ..G18
Dry Ridge, Ky. ..R13
Dublin, Ga. ..P16
Dublin, Va. ..H16
Duffield, Va. ..H14
Duluth, Ga. ..M14
Duncan, Miss. ..O13
Duncan, S.C. ..K16
Dunlap, Tenn. ..J14
Durham, N.C. ..H19

E
Easley, S.C. ..K15
Eastaboga, Ala. ..N12
Eastbrooke, Miss. ..O 9
East Birmingham, Ala. ..N11
Eastman, Ga. ..O15
East St. Louis, Ill. ..P 7
East Spartanburg, S.C. ..K16
East Wareham, Ga. ..N16
Eatonton, Ga. ..N15
Eckerty, Ind. ..P11
Eddie, Ala. ..O10
Edgefield, S.C. ..M16
Edinburg, Va. ..D19
Edwardsville, Ala. ..M13
Efland, N.C. ..H19
Egypt, Ga. ..Q12
Elberta, Ga. ..O15
Elberton, Ga. ..M15
Eldorado, Ga. ..P15
Elizabeth, Ga. ..M14
Elkhorn, Ky. ..R12
Ellen, N.C. ..H17
Elko, Ala. ..O11
Elko, Ga. ..O16
Ellenboro, N.C. ..K16
Ellenville, Ga. ..O12
Ellisville, Miss. ..Q 9
Elon College, N.C. ..H18
Enco, Ala. ..L10
Enery Gas, Tenn. ..J13
English, Ind. ..P11
Enka, N.C. ..K15
Erdey, Ala. ..N11
Erin, Tenn. ..J13
Estes, Miss. ..O 9
Estoppy, Ky. ..R13
Etowah, Tenn. ..J14
Escambia, Ga. ..P11
Eufaula, Ala. ..P13
Eutaw, Ala. ..O10
Evans, Ga. ..M16
Evansville, Ala. ..O10
Everett, Ga. ..P12
Everett, Ga. ..M15
Ewing, Va. ..G18

F
Faber, Va. ..F19
Fackler, Ala. ..J12
Fairfax, Va. ..D20
Fairbanks, Ga. ..M13
Fairfax, Va. ..D20
Fairfield, Ala. ..N11
Fair Forest, S.C. ..L16
Fairmont, N.C. ..K16
Fairview, Ala. ..N12
Fayetteville, Ala. ..O11
Fayetteville, N.C. ..J19
Ferguson, Ky. ..R13
Fern Bank, Ala. ..N11
Fieldale, Va. ..H18
Fieldon, Ill. ..P 6
Fitzgerald, Ga. ..P15
Fitzhugh, Ala. ..P12
Flat Rock, N.C. ..K15
Fletcher, N.C. ..K15
Florahome, Fla. ..R17
Florence, Ala. ..O10
Florence, S.C. ..L18
Flowery Branch, Ga. ..M14
Foley, Ala. ..P11
Fonde, Ky. ..H12
Fontana, N.C. ..J14
Forrestville, Ga. ..M13
Fort Bragg, N.C. ..K20
Fort Gaines, Ga. ..P14
Fort McClellan, Ala. ..N12
Fort Mill, S.C. ..K17
Fort Motte, S.C. ..M18
Fort Norte, S.C. ..M18
Fort Payne, Ala. ..N10
Fort Valley, Ga. ..N14
Foxville, S.C. ..L18
Frankston, Ind. ..P11
Franklinville, N.C. ..J18
French Lick, Ind. ..P11
Friendship, N.C. ..H18
Frisco, Tenn. ..J14
Front Royal, Va. ..D19
Fort Boyd, Ala. ..N12
Fruithurst, Ala. ..N13
Furman, S.C. ..N17

G
Gadsden, Ala. ..M12
Gadsden, S.C. ..M18
Gaffney, S.C. ..K16
Gainesville, Ga. ..L14
Gainesville, Ga. ..N14
Gainesville, Va. ..D20
Gallion, Ala. ..O11
Gamble, S.C. ..M18
Gantt, S.C. ..L16
Gastonia, N.C. ..K17
Gate City, Va. ..H14
Gatlinburg, Tenn. ..J15
Gaylord, Ga. ..P15
Gaylord, Ga. ..M13
Gaylord, Ga. ..M13
Gaylord, Ga. ..M13